



Quality is Our Bottom Line

Appropriations Committee Public Hearing

Wednesday, February 22, 2012

Connecticut Association of Health Plans

Testimony regarding

**HB 5014 AA Making Adjustments To State Expenditures And Revenues For The Fiscal
Year Ending June 30, 2013**

Department of Public Health State Budget Proposal

Immunization Fund

The Connecticut Association of Health Plans endorses the goal of universal vaccine compliance as a worthy and laudable goal that all entities in the health care delivery system should strive to achieve. Health plans in the state heavily invest in assuring that their own members meet the standards set forth and take such responsibility seriously. The challenge, as always, is in the funding mechanisms to support such efforts.

While the Immunization Fund, as currently structured, may arguably move the state in the right policy direction, it is a fundamentally flawed program in the sense that it cost-shifts the financial burden of the program onto the fully insured market. Currently, approximately 50% of the health care market is self-insured and governed under federal ERISA. *Therefore, state regulation/taxation/assessment of that segment is preempted.* So, the challenge of an assessment model is clear: every increase or expansion results in higher premiums for fully insured employers. To put a finer point on the issue, the hypothetical small employer group, "Joe's Garage," must subsidize through their premiums the cost of vaccine for members of a large self-insured plan. Expanding the fund, as proposed, exacerbates a problem that already exists today at a time when sensitivity to premium increases is at its highest.

Furthermore, the state needs to make a decision as to whether this program will be the sole and universal mechanism for providing immunizations to the citizens of the state regardless of whether they are uninsured, underinsured, insured or covered by a public program because the current system of how the vaccines are obtained by the providers and paid for is bifurcated and has produced multiple ways that providers can provide vaccines and it has had the unintended consequence of hindering the collection of meaningful immunization data.

If the State of Connecticut continues to believe in a universal vaccine purchasing fund, we respectfully submit it should be supported via a general fund appropriation as in the past. Until a mechanism of general applicability is determined, further discussion around which vaccines should be included, or how the program should be structured, simply creates more problems than it solves.

Thank you for your consideration.